BREAKER RESOURCES NL

QUARTERLY REPORT **March 2022**

Mining studies point to large, robust open pit at Bombora

Preliminary underground studies now underway targeting an expanding ~500Koz @ 3.6g/t underground Resource

Highlights

Lake Roe Gold Project

- Open pit studies indicate a 3km-long single open pit with scope for high-margin, value-accretive, staged cut-backs. For example, a starter pit to just 65m depth on a 1km strike in the northern section of Bombora can capture 95,000oz (1.54 million tonnes at 2.02g/t Au) and generate pre-tax free cash flow of ~$166 million in one year. This has a 3.2:1 waste:ore strip ratio and assumes a 1.8Mtpa processing rate and an estimated mine production cost of just ~A$753/oz ^ (excludes capital plant and infrastructure costs)
- Based on the positive results, a preliminary underground mining study has started based on a subset of the underground Mineral Resource containing ~501,000oz at 3.6g/t#
- Environmental permitting and further groundwater and heritage assessments reactivated. Previous environmental, geotechnical, hydrological and metallurgical studies do not highlight any impediments to development
- Two diamond drill rigs underway with plans to ramp up drilling to upgrade and expand the underground Resource, and for further extension and discovery in other areas

Manna Lithium Project (20% free-carried interest to completion of BFS)

- Maiden Inferred JORC Mineral Resource of 9.9Mt @ 1.14% Li_2O and 49 Ta_2O_5 ppm*. Open in all directions with several mineralised trends extending over a 5km x 1.5km area
- Upcoming 20,0000m RC and 6,000m diamond drilling programs designed to expand and upgrade the Resource

Ularring Gold Gold-Copper & Nickel-PGE Project

- Eight land access agreements executed in preparation for Breaker's maiden drilling scheduled to commence late June 2022 quarter subject to approvals

Corporate

- Well-funded with $31M based on a combination of cash in bank and ASX-listed shares held in Global Lithium Resources Ltd (ASX: GL1) as at 31 March 2022

Breaker Managing Director, Tom Sanders said: *"The open pit study starts to show the huge upside for Breaker shareholders at the Company's current market capitalisation, especially when the value of its free-carried lithium interests are factored in.*

"The outstanding potential for free cash flow generation from open pit mining, with the underground mining studies still to come, is a tipping point for the Lake Roe Project, and points to a robust project with scope for attractive margins at current gold prices. It also opens a range of development and processing options that we are actively assessing."

ASX: BRB

Board
Peter Cook
Tom Sanders
Mark Edwards
Mike Kitney
Linton Putland
Eric Vincent

Corporate
Issued Equity:
325.8m FPO
15.975m options

Cash:
$8.15m (plus $6.45m post-quarter)

Market Cap:
$83m @

Lake Roe Gold Project – March 2022 Quarter Exploration Activities

Two diamond drill rigs are currently underway with the objective of upgrading and extending the high-grade underground Resource. The two rigs are initially targeting the Tura lode which extends over 900m down-plunge in the central part of the Bombora deposit. Once the drilling at Tura is completed, the two rigs will then move on to the stacked flat lodes, which extend over a 2,200m distance in the northern part of the deposit.

Recent drilling progress has been slow due to reduced drill rig availability as a result of the current labour shortage. This has now been remedied.

The recent December 2021 Mineral Resource update#, highlighted a highly favourable gold endowment at the Bombora deposit of 3,800oz per vertical metre to a depth of ~200m depth over a strike length of 3km. This is situated directly above a rapidly growing underground Resource of ~500Koz @ 3.6g/t gold# (1.8g/t Au cut-off), the represents the foundation of a substantial gold development.

To assess the economics of open pit mining, a first-pass open pit optimisation study (the Study^) was completed post-quarter targeting the near-surface component of the Bombora and Claypan deposits, comprising 893,000oz# of the 1.7 million ounce Resource# at Lake Roe (the "Global Bombora" optimisation run).

Following the positive result, a second optimisation run was completed over the northern part of the Bombora deposit to assess the potential for 1.1km-long "starter" pit scenario that would facilitate the establishment of a decline portal for early underground mining, or for underground drill access the "North Bombora Starter Pit" optimisation.

This optimisation studies delivered compelling outcomes in each area.

- The Study demonstrates the potential for strong free cash flow in the early stages of each optimisation scenario.
- The Study points towards a high-margin, value-accretive project, based on a series of staged cut-backs. A staged operation is achievable with initial stages generating strong surplus to potentially fund deeper stages
- The results significantly upgrade the potential for a standalone processing facility, but all options, including early-stage processing at an existing plant nearby remain open, and will be influenced by ongoing mining studies
- There is potential to materially enhance the outcome of the Study by inclusion of the shallow gold mineralisation at the Crescent-Kopai deposit, and by a transition from open pit to underground mining at Bombora.

As a result of these positive outcomes, preliminary design studies have commenced on the underground Mineral Resource. In anticipation of future development, Breaker has reactivated steps to advance permitting and other key work streams. The Company is also taking steps to ramp up its drilling to keep expanding and upgrading the underground expansion, and for extension and discovery in other areas.

During the March 2022 quarter, the market value of ASX-listed GL1 appreciated significantly, further consolidating the Company's strong financial position.

Open Pit Optimisation Studies

The aim of the Study was to create a set of economically defined, staged open pits "shells" which start at surface and which culminate in an "ultimate" optimum open pit which aims to maximise the pre-tax free cash flow for a given range of input assumptions as summarised below.

The initial open pit optimisation targeted the Bombora and Claypan gold deposits, which form part of a 9km-long gold system (**Figure 1**), the "**Global Bombora**" run.

In light of the positive results, a second optimisation run was completed over the northern part of the Bombora deposit to assess the potential for 1.1km-long "starter" pit scenario that enables the establishment of a decline portal for early underground mining or for underground drill access the "**North Bombora Starter Pit**" optimisation.

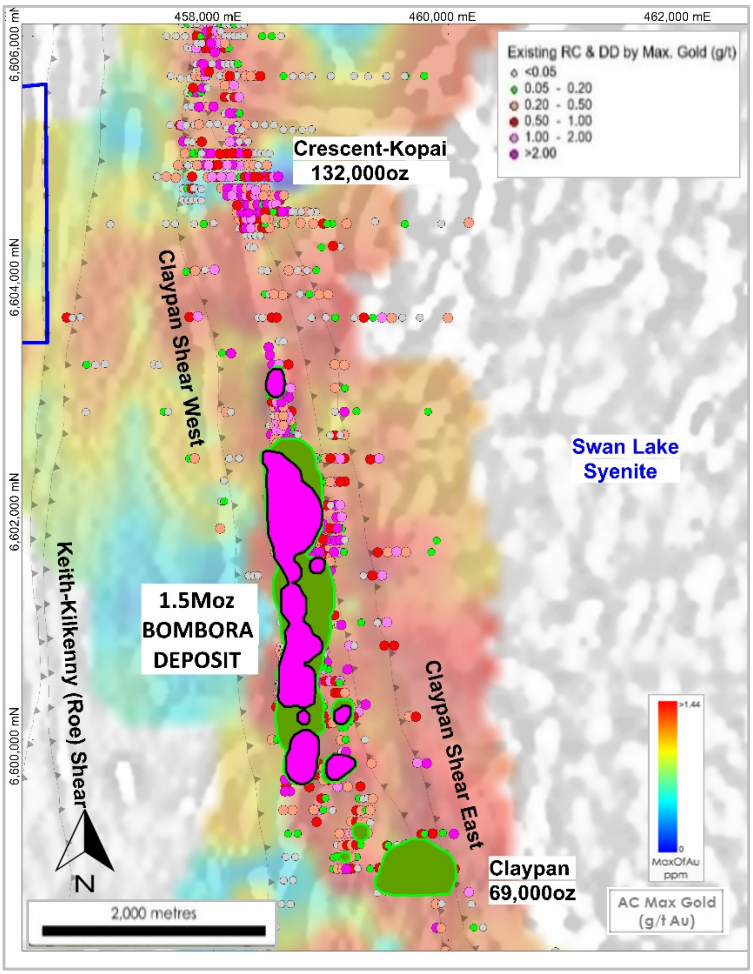


Figure 1: Lake Roe Gold Project: Showing the Global Bombora Open Pit Shells #41 (magenta) & #74 (green) with RC and Diamond Drilling Colour-coded by Maximum Gold (g/t) on Aircore Maximum Gold Image and Aeromagnetics

Assumptions

Open pit optimisations were carried out using (Geovia) WhittleTM software using an array of input assumptions and Modifying Factors summarised below (**Table 1**).

Input	Unit	Comment
Gold Price	A$	A$2500/oz
Royalty Rate	3%	WA State royalty plus 0.5%
Mining rate	1.8Mt per annum	Assumed 100t truck fleet
Mining Costs	$4.50 - $14.51/bcm (surface to 50mRL)	Excavate Load & Haul Costs based on current industry estimates 5% escalation from base level at surface in 10m vertical increments Assumed 100% removal of material from pit, constant surface haul to ROM pad near mine exit
Average Blasting Costs	$1.80/bcm - Oxide $2.10/bcm - Trans $2.40/bcm - Fresh	Staged blasting costs estimates with emulsion adjusted for degree of weathering; based on industry estimates Various pattern sizes for oxide, transition, fresh and mixed ores No specific presplit or trim blasting applied
Mining Services	$5.00/t of ore	Based on manning estimate of $700,000/month
Grade Control	$3.00/t of ore	Assumes 8m x 5m RC grade control pattern over several flitches at once
Sustaining Capex	$0.20/t of ore	Minor Plant & Equipment services on surface
Pit Slope	34 deg. - cover 40 deg. - oxide 42 deg. - trans 47 deg. - fresh	Overall slope angles include berms and access ramps based upon independent geotechnical studies and recommendations Refer ASX Releases dated 30 June 2019
Mining Dilution (% at zero grade)	13% - oxide 16% - trans 20% - fresh	Dilution of Mineral Resource Estimate during mining process at different rates based on degree of weathering at zero grade
Mining Loss	nil	Assumes no loss of Mineral Resource during course of mining. Assumes no additional mineralisation capture relating to numerous drill intersections not captured by 3-D wireframing as input to Mineral Resource
Processing Cost	$22.50/t of ore (1.8Mtpa)	Processing cost/t based on industry comparative of similar size facility
Metallurgical Recovery	93% to 95%	A function of head grade (0.12g/t fixed residue grade applied). Based on independent metallurgical studies. Assumes use of hypersaline water supplemented by brackish water catchment. Refer ASX Releases dated 18 October 2017, 15 January 2018 and 15 September 2020
Capital Expenditure	Nil	The Study is preliminary and is not intended as a feasibility study. It does not account for the capital costs of a processing plant or other pre-mining capital and infrastructure works. The objectives of the Study include guiding decision-making on the optimal size of a potential processing facility
Other	N/A	The project is on a granted mining lease and the environmental, geotechnical, hydrological and metallurgical studies undertaken to date are at PFS level and do not highlight any impediments to development Refer ASX Releases dated 30 June 2019

Table 1: Study Assumptions and Modifying Factors

A preliminary assumption is that ore processing will occur on-site, however all processing options remain open, including early-stage processing at an existing plant nearby. Given this, and the preliminary nature of the Study, it did not account for the capital costs of a processing plant or other pre-mining capital and infrastructure works.

Results

Global Bombora Optimisation

The results for the **Global Bombora** optimisation run using the input parameters outlined above, are summarised below in **Table 2.** Open Pit Shells 41 and 74 represent the 215m-deep optimal pit and the 265m-deep pits respectively and are shown in relation to the 9km-long gold system at Lake Roe (**Figure 1**) and the Bombora Mineral Resource in **Figures 2 to 4**.

Several open pit shells of varying depth were selected which represent significant step changes in a simulated open pit that is mined in sequential stages or cutbacks starting at surface.

Global Bombora Open Pit Optimisation (1.8Mt per annum Processing Scenario)										
Shell	RF	Max. Pit Depth	Cumulative Tonnes	Cumulative Grade (diluted)	Cumulative Ounces	Inferred	Cumulative Strip Ratio	Cumulative Gold (recovered)	Cumulative Cost/oz	Pre-tax Net Cash
		m	t	g/t	oz	%	waste/ore	oz	$/oz	$m
7	0.32	65m	1,537,000	2.02	100,000	0.3%	3.2	94,900	753	166
17	0.52	115m	2,619,000	1.86	156,300	0.6%	5.2	147,800	913	234
25	0.68	150m	3,916,000	1.76	221,400	2.5%	7.7	208,600	1,100	292
30	0.78	205m	6,229,000	1.71	342,200	2.0%	11.2	322,000	1,351	370
41	1.00	215m	8,361,000	1.59	426,900	3.2%	12.5	399,900	1,536	386
74	1.66	265m	17,017,000	1.40	763,800	15.2%	17.4	708,845	2,166	237

Table 2: Progressively Deeper Staged Open Pit Scenarios Defined by Whittle Open Pit Shells^

^There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised.

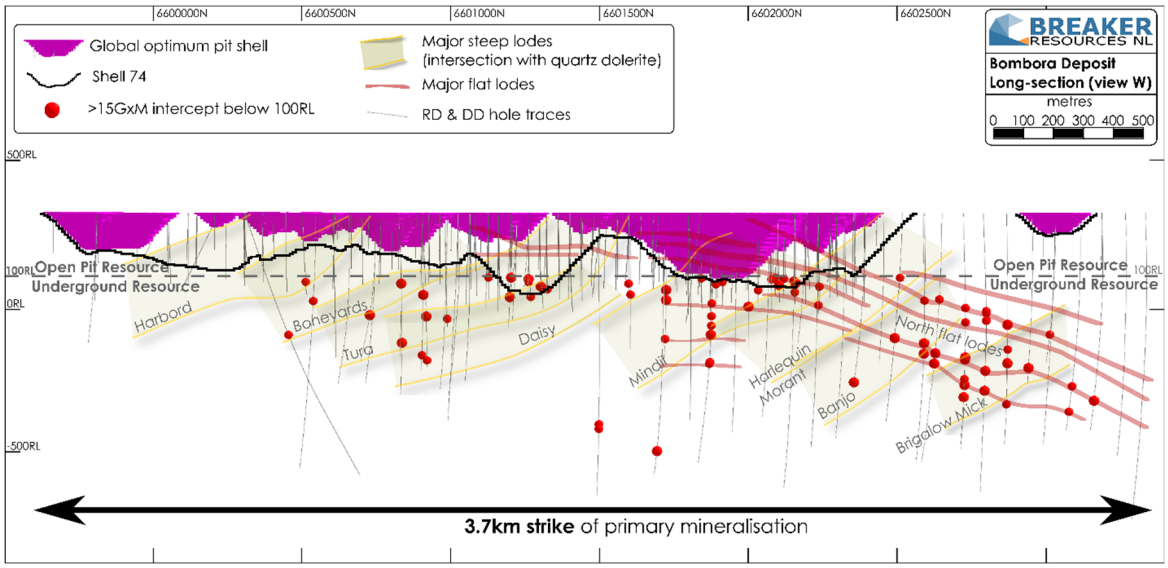


Figure 2: Bombora: Long-Section showing Global Bombora Open Pit Shells #41(magenta) & #74 in Relation to Mineral Resource and Main Structural Elements

Approximately 85% to 99% of the Mineral Resource captured by the various Whittle open pit shells is in the Indicated Resource category, with the balance in the Inferred category (**Table 2**).

Photo 1: Lake Roe Three Rig Sunset

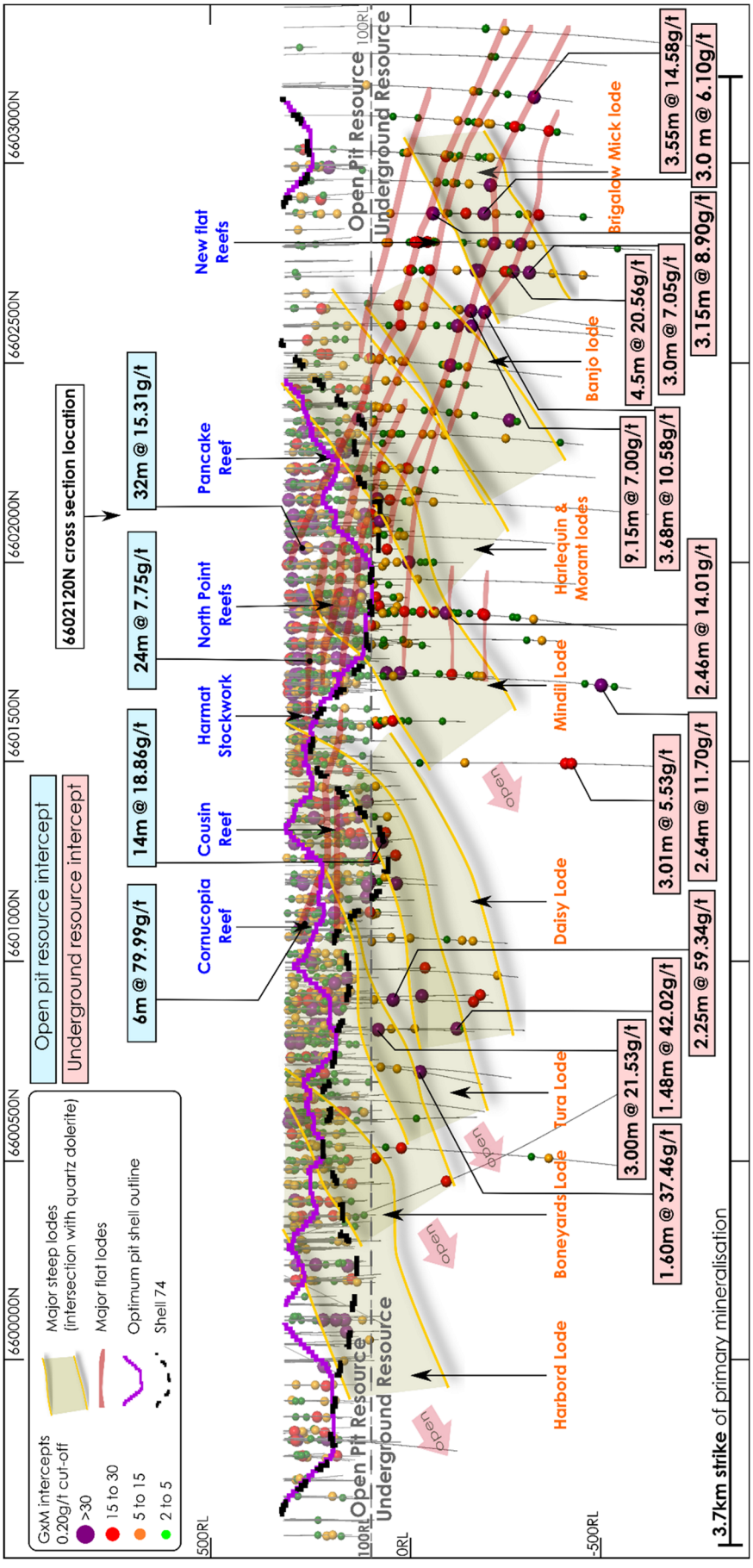


Figure 3: Bombora: Long Section Looking West Showing Global Bombora Open Pit Shells #41 & #74 in Relation to Main Lode Elements with Global Optimum Open Pit Shell

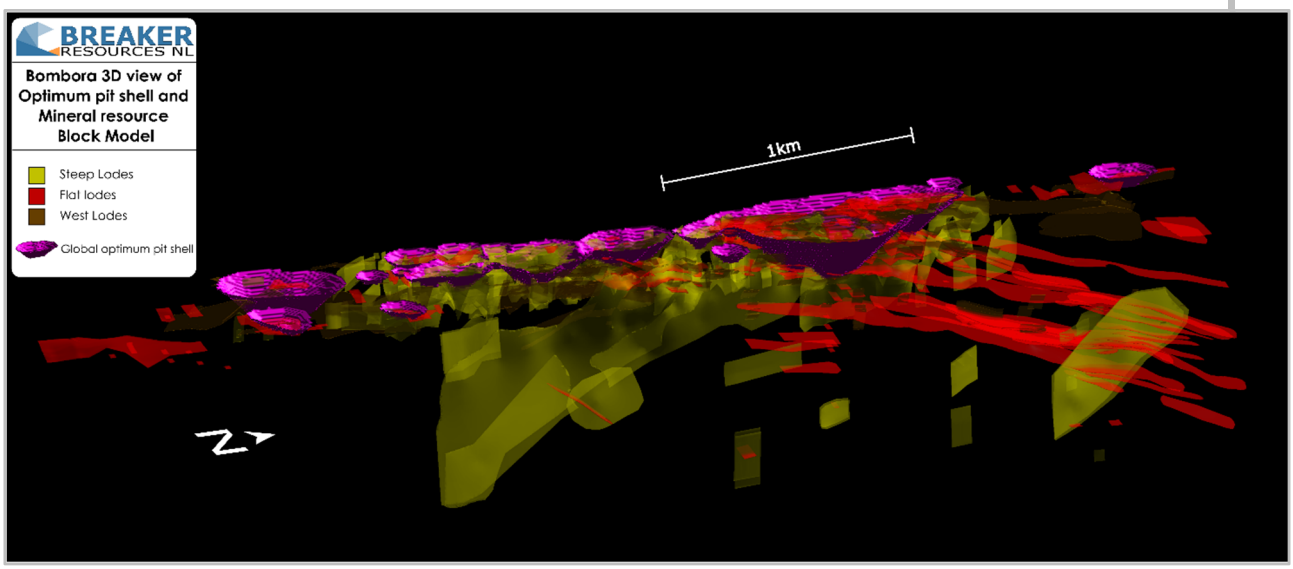


Figure 4: Bombora 3-D Perspective View of the Global Optimum Open Pit Shell with all Lode Types

North Bombora "Starter" Pit Optimisation

The results for the **North Bombora "Starter" Pit** optimisation run using the input assumptions with a 1.8Mtpa processing scenario are summarised in **Table 3**.

North Bombora "Starter" Pit Optimisation (6,601,340N to 6,602,460N; 1.8Mtpa Processing Scenario)										
Shell	**RF**	**Max. Pit Depth**	**Cumulative Tonnes**	**Cumulative Grade (diluted)**	**Cumulative Ounces**	**Inferred**	**Cumulative Strip Ratio**	**Cumulative Gold (recovered)**	**Cumulative Cost/oz**	**Pre-tax Net Cash**
		m	**t**	**g/t**	**oz**	**%**	**waste/ore**	**oz**	**$/oz**	**$m**
28	0.74	40m	1,257,000	1.55	62,700	0.5%	3.1	58,500	968	90
25	0.68	80m	2,285,000	1.76	129,000	0.4%	4.1	121,500	910	193
26	0.70	120m	2,783,000	1.72	154,200	0.8%	5.4	145,100	995	218
26	0.70	160m	3,468,000	1.69	188,200	0.8%	6.9	176,900	1,108	246
41	1.00	200m	5,564,000	1.63	291,200	0.8%	10.8	273,200	1,405	299

Table 3: Progressively Deeper Staged Open Pit Scenarios Defined by Whittle Open Pit Shells^

^There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realised.

The different open pit optimisation shells shown in Table 5 simulate sequential progressively deeper stages or cutbacks in an open pit "mined" starting at the surface. A perspective view of the North Bombora Starter Pit "stages" in relation to the Global Bombora Open Pit Shells #41 and #74 is shown in **Figure 5** and schematically in **Figure 6**.

Approximately 99% of the Mineral Resource captured by the various Whittle open pit shells for the North Bombora Starter Pit optimisation is in the Indicated Resource category, with the balance in the Inferred category as summarised in Table 5.

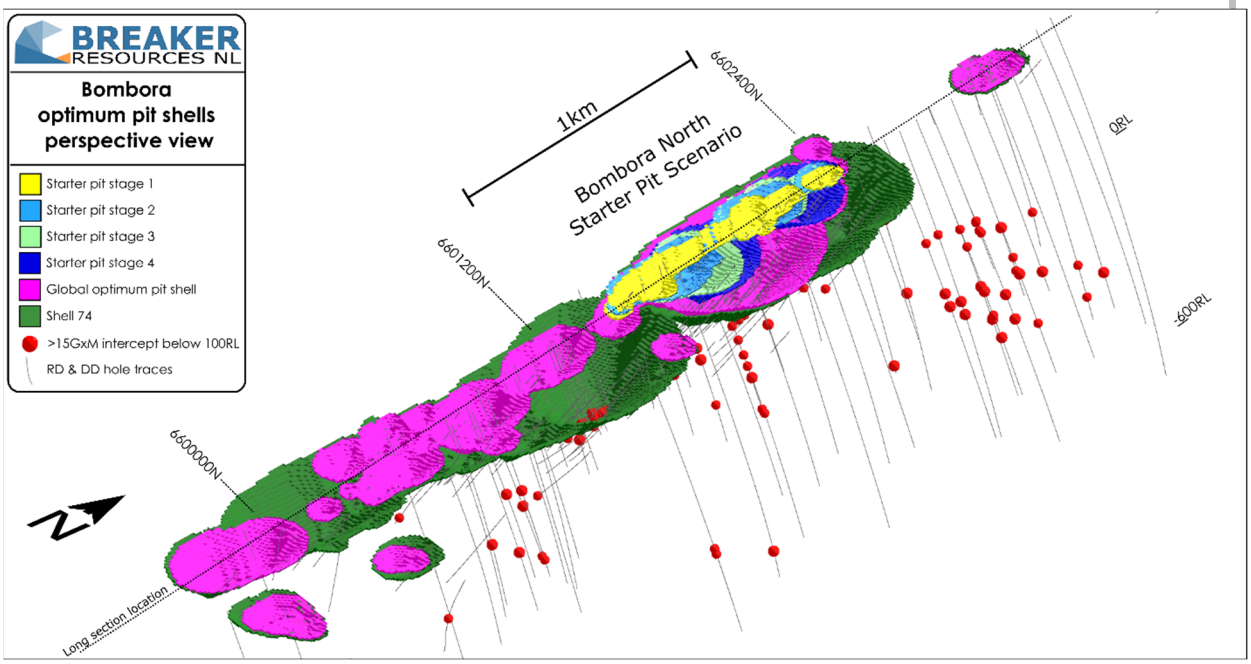
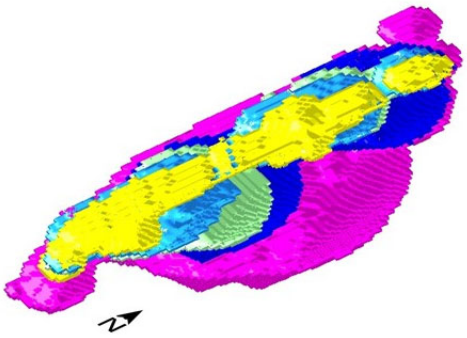


Figure 5: Bombora: Perspective View Global Bombora Open Pit Shells #41 & #74 in Relation to North Bombora Optimisation Shells that show Staged Open Pit Scenarios



A ROBUST, STAGED MINING SEQUENCE

	Cumulative Tonnes (t)	Cumulative Diluted Grade (g/t Au)	Cumulative Strip Ratio (waste:ore)	Cumulative OPEX (A$/oz)	Cumulative Pre-Tax Cash Surplus (A$M)
Stage 1 (40m)	1.26M	1.55	**3.1**	**968**	**90**
Stage 2 (80m)	2.29M	1.76	**4.1**	**910**	**193**
Stage 3 (120m)	2.78M	1.72	**5.4**	**995**	**218**
Stage 4 (160m)	3.47M	1.69	**6.9**	**1108**	**246**
Stage 5 (200m)	5.56M	1.63	**10.8**	**1405**	**299**

Figure 6: Bombora North Starter Pit Perspective View with Progressively Deeper Staged Open Pit Scenarios

Overview of Results

The Study delivered very encouraging outcomes as follows:

- A pit shell to 265m depth captures ~764,000oz of the target 893Koz Resource (16.7 million tonnes at 1.48g/t)^;
- A pit shell to 215m depth captures ~427,000oz (8.4 million tonnes at 1.6g/t Au) with an estimated pre-tax free cash flow of ~$385 million over 4-years, excluding capital plant and infrastructure costs. This has a 12.5:1 waste:ore[3] ratio and assumes a 1.8Mtpa processing rate and an estimated mine production cost of A$1,540/oz^;

- A staged operation is achievable with initial stages generating strong surplus to potentially fund deeper stages.

Next Steps

The company plans to investigate all options for early monetisation. Further open pit optimisation, design and scheduling are planned to follow up on the results of this Study.

A preliminary underground mining study has commenced based on a subset of the underground Mineral Resource of ~501,000oz at 3.6g/t#. The aim is to provide a conceptual underground design and scoping-level range of costs. It is anticipated this work will be completed in June Quarter 2022. These studies will initially focus on the 1km-long Tura lode (**Figure 7**) and then on the 2.2km-long flat lode array in the northern part of the Bombora deposit (**Figure 8**).

The Company is taking steps to ramp up its drilling to reduce the time frame for potential underground mining. Strike-extensive high-grade lodes have been confirmed below the open pit Resource, but further drilling is needed to calibrate the huge growth potential, and to upgrade more of the underground Mineral Resource to Indicated status.

The project is on a granted mining lease with a clear development pathway and the environmental, geotechnical, hydrological and metallurgical studies undertaken to date do not highlight any impediments to development (ASX Release 30 June 2019). Most of the Company's pre-mining studies are at pre-feasibility level. Environmental permitting and further groundwater and heritage assessments have been reactivated.

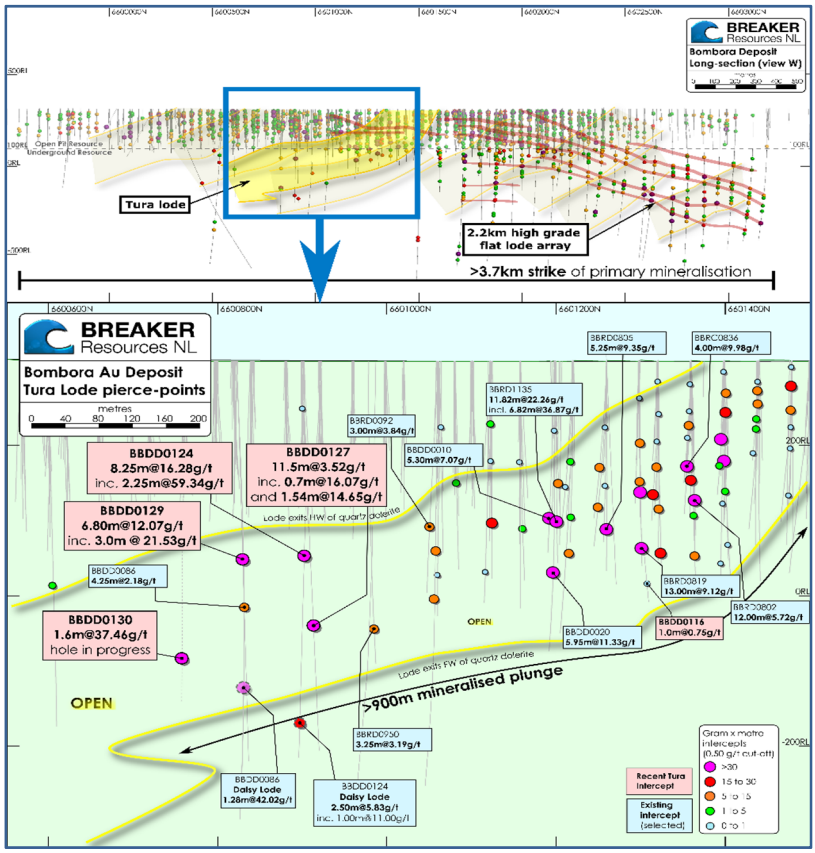


Figure 7: Long-section of Tura Steep Lode Looking West

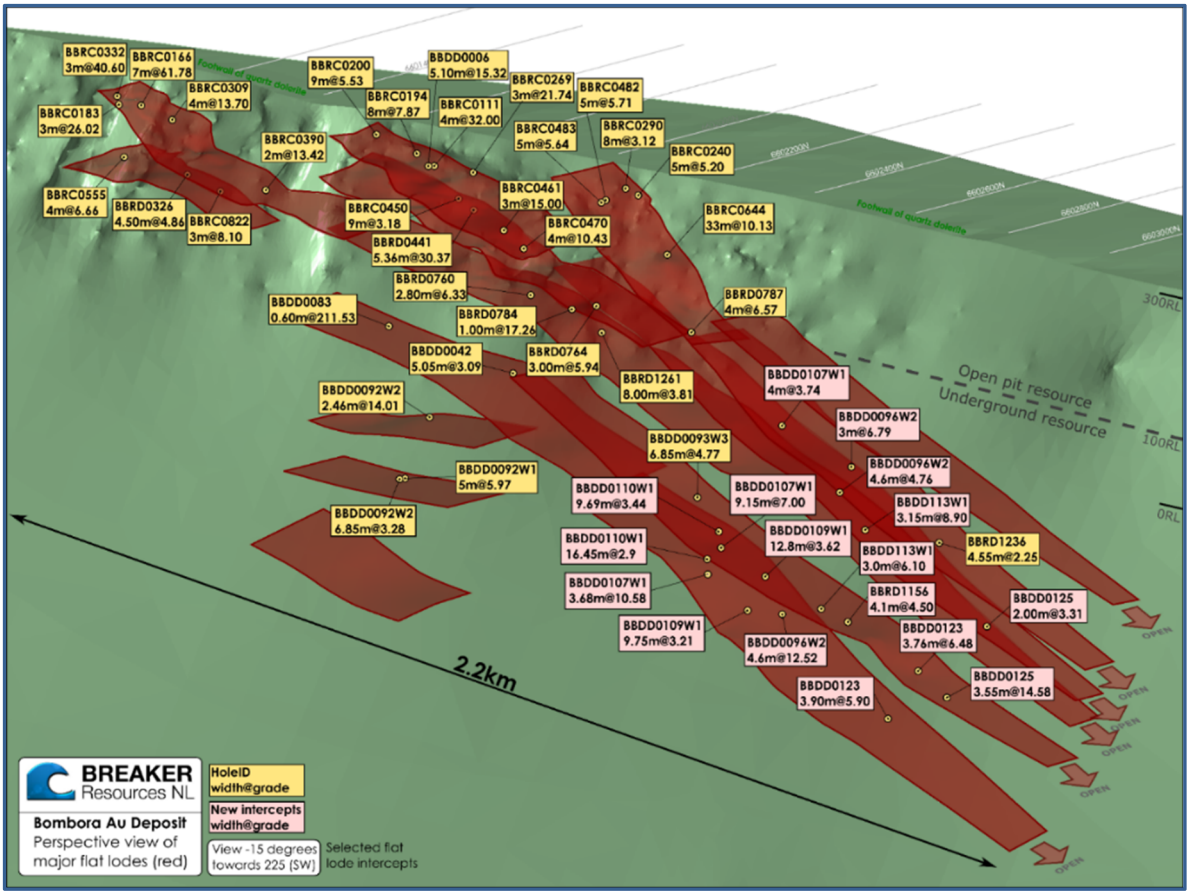


Figure 8: Bombora North: Perspective View of 2.2km-long Northern Flat Lode Array

Manna Lithium Project – March 2022 Quarter Exploration Activities

Breaker completed a sale of 80% interest of the lithium rights to its Manna lithium discovery in the previous quarter Global Lithium Resources Ltd (GL1) to maintain its core focus on gold.

The consideration $6.5m in cash, and $6.5m in shares which gave Breaker a 6% interest in GL1. Breaker 20% interest is free-carried to completion of a positive BFS. Breaker is also entitled to milestone payments of up to $20 million comprising:

- $10M on the definition of a Mineral Resource containing more than 250,000 tonnes of contained Li_2O (equivalent to 20Mt @ 1.25% Li_2O for illustrative purposes); and
- $10M upon the production of 100,000 tonnes of contained Li_2O (equivalent to approximately 1.67Mt @ 6% spodumene concentrate for illustrative purposes).

In the March 2022 quarter, the market value of ASX-listed GL1 appreciated appreciably, and GL1 announced a maiden Inferred JORC Mineral Resource of 9.9Mt @ 1.14% Li_2O and 49 Ta_2O_5 ppm on 17/02/2022.

The Resource is open in all directions with several mineralised trends extending over a 5km x 1.5km area. GL1 have since announced an upcoming programme of 20,000m of RC drilling, and 6,000m of diamond drilling in addition to further metallurgical testwork.

Ularring Gold-Copper & Nickel-PGE Project – March 2022 Quarter Exploration Activities

Eight land access agreements executed in preparation for Breaker's maiden drilling scheduled to commence late June 2022 quarter subject to approvals.

The Ularring project is located 100km east of Perth and is part of an exciting new mineral province in the southwest Yilgarn (Figure 19). The project is situated 50km south of the 2.84Mt Bindi copper deposit, and 50km east of the world class Julimar PGE-Ni deposit (Figure 9).

The project covers the Centre Forest and Southern Brook gold-copper prospects situated on a 7km long zone of gold-copper mineralisation. Limited open file historical drill intersections, such as 61m at 0.81g/t Au (from surface) and 25m at 0.46g/t Au (~180m vertical depth), indicate down-dip continuity of mineralisation, with local near-surface enrichment (6m at 2.16g/t Au & 4m at 0.58% Cu).

A review of historical activity has identified regional scale nickel-PGE targets on previously undrilled mafic-ultramafic belts with drill-ready EM and soil targets.

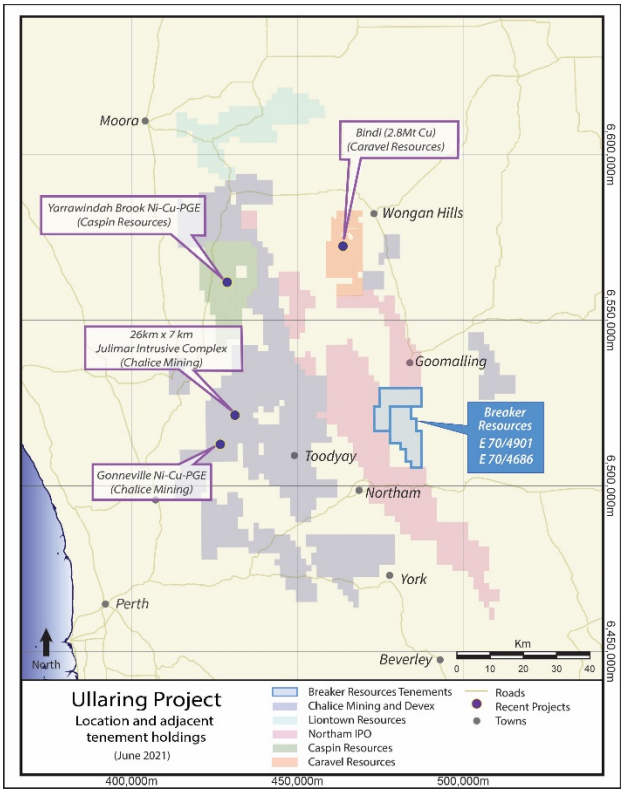


Figure 9: Ularring Project Location Plan

CORPORATE

As at the date of this report, the Company's capital structure comprises:

- 325,840,929 fully paid ordinary shares (ASX: BRB); and
- 15,975,000 unlisted options at various exercise prices and expiry dates.

There were no equity movements during the period.

The Company participated in the RIU Explorers Conference (in person – Fremantle).

Financial Commentary

On 31 March 2022 the shares in Global Lithium Resources Ltd (ASX: **GL1**) that were issued to Breaker as part consideration for the sale of the 80% interest in the Manna Lithium Project were released from voluntary escrow.

As a result, Breaker is well-funded with $31M based on a combination of cash in bank and ASX-listed shares in Global Lithium Resources Ltd valued at $2.24 each as at 31 March 2022. Post-quarter, the Company announced a cash inflow of $6.45m from the sale of 3,000,000 GL1 shares (~30% of its holding).

The monies will be used to boost funds for the Company's 1.7Moz# Lake Roe Gold Project.

The Quarterly Cashflow Report (Appendix 5B) for the period ending 31 March 2022 provides an overview of the Company's financial activities.

Exploration expenditure for the reporting period was $2.505 million. Corporate and other expenditure amounted to $260,000. The total amount paid to directors of the entity and their associates in the period (Item 6.1 of Appendix 5B) was $158,000 and includes salary, directors' fees, consulting fees and superannuation.

Authorised by the Board of Directors

Tom Sanders
Managing Director
Breaker Resources NL **29 April 2022**

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Tom Sanders BSc (Geology); MSc (Mineral Economics); MAusIMM; FAICD. Mr Sanders is an officer of Breaker Resources NL and his services have been engaged by Breaker on an 80% of full time basis; he is also a shareholder in the Company. Mr Sanders has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Sanders consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

#*The information in this report that relates to the Lake Roe Mineral Resource is based on information announced to the ASX on 20 December 2021. The information in this report that relates to the Manna Mineral Resource is based on information announced to the ASX on 17 February 2022. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of Mineral Resources, all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

^ The Company confirms all material assumptions underpinning the production targets or the forecast financial information derived from the production targets initially reported in the Company's ASX release of 11 April 2022 continue to apply and have not materially changed. The production targets in this presentation as reported on 11 April 2022 are underpinned by up to 15.2% Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

APPENDIX 1: Tenement Schedule

In line with obligations under ASX Listing Rule 5.3.3, Breaker provides the following information relating to its mining tenement holdings as at 31 March 2022.

Project	Tenement Number	Status at 31/03/22	% Held/ Earning	*Changes during the Quarter*
Lake Roe	E28/2515	Granted	100	
	E28/2522*	Granted	100	
	E28/2551*	Granted	100	
	E28/2555	Granted	100	
	E28/2556	Granted	100	
	E28/2559	Granted	100	
	E28/2920	Granted	100	
	M28/388	Granted	100	
	E28/2748	Granted	100	
	E28/2817	Granted	100	
	E28/3051	Granted	100	
	E28/3074	Application	100	
	E28/3198	Application	100	*Submitted Application*
	E28/3199	Application	100	*Submitted Application*
	E28/3200	Application	100	*Submitted Application*
Ularring Rock	E70/4686	Granted	100	
	E70/4901	Granted	100	

*Rights to lithium and lithium-related minerals subject to the Manna Lithium Project Joint Venture with Global Lithium, with Breaker maintaining a 20% interest free-carried until completion of bankable positive feasibility study.